



The 2025 State of Enterprise Procurement Agility Report

How rising pressures, disconnected systems, and lagging AI readiness are straining large enterprises' ability to move fast and manage risk

Executive Summary

Procurement executives at large enterprises are navigating a high-stakes inflection point. External shocks like tariffs, inflation, and supplier volatility are converging with rising internal expectations — all while teams shrink and tech stacks fail to deliver.

ORO Labs' 2025 report, based on a survey of 200+ procurement executives from large enterprises with \$500M+ in annual revenue across the U.S., U.K., Europe, and Canada, shows a function that's quickly accelerating, but constrained by outdated, disconnected systems that can't match the pace or complexity of today's demands. Procurement is being asked to innovate, cut costs, and move faster, but most teams remain bottlenecked by manual workflows, IT dependencies, and tools that don't integrate.

ORO's research uncovered several key findings. Highlights from surveyed procurement executives include:

The pressure is heating up. Nearly half of procurement executives say pressure on their function is higher than usual. Sixteen percent say it's the most intense they've experienced in the past three years.

Tariff-driven supplier churn is real. And procurement teams are struggling to keep up. 86% have changed suppliers due to tariffs, and 16% say they could onboard a replacement supplier in under a week – but nearly a third of respondents still cite the loss of a key supplier as a top concern.

Some procurement teams are lowering risk standards to keep pace. Alarmingly, 25% of procurement teams have increased their tolerance for risk by working with suppliers who may have lower credit ratings or limited documentation.

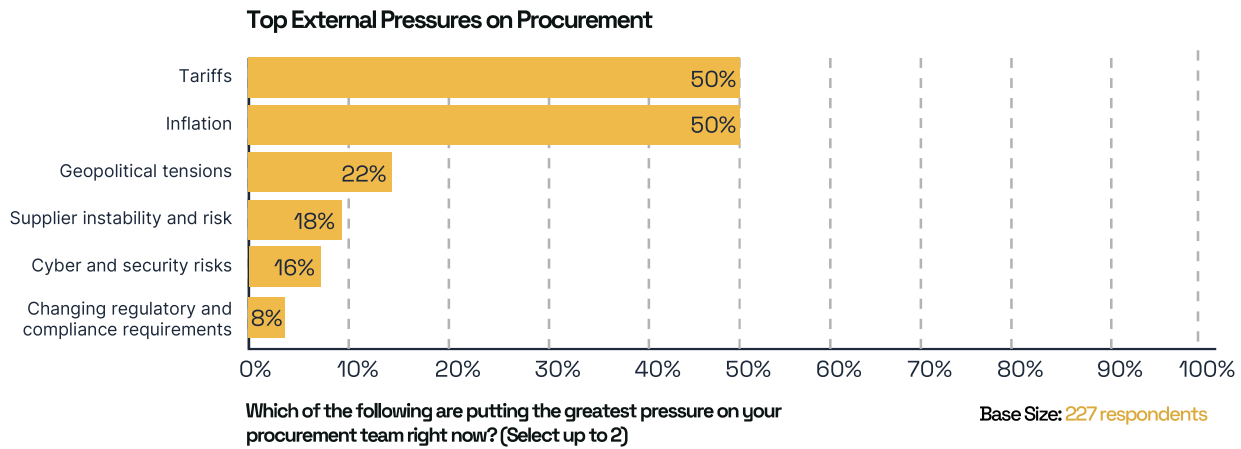
Most tech stacks are bloated and underdelivering. While nearly two-thirds of procurement teams from large enterprises use more than 10 tools, only 8% say the majority of those tools deliver the ROI they expect. Over half need IT support for even basic system changes.

AI adoption is accelerating at record pace, but trust and strategic use remain low. Eighty-five percent are piloting or using AI. While 40% of those teams already trust AI to guide decision-making with minimal oversight, half (52%) say they only trust AI somewhat and always review outputs. Eight percent of those who are using or piloting AI are still unsure and say it feels experimental and inconsistent.

These findings point to a function that's both under pressure and in transition. The pages ahead explore how procurement executives are adapting in real time, and what it will take to build the agility, trust, and infrastructure needed for what comes next.

Procurement Teams Scramble to Adjust Supplier Mix Amid Rising Costs and Tariffs

Two forces stand out as most disruptive to procurement teams right now: tariffs and inflation. Tariffs and inflation were each cited as top external pressures by 50% of respondents. That’s markedly higher than other challenges such as geopolitical tensions (22%), supplier instability (18%), and cybersecurity risks (16%).

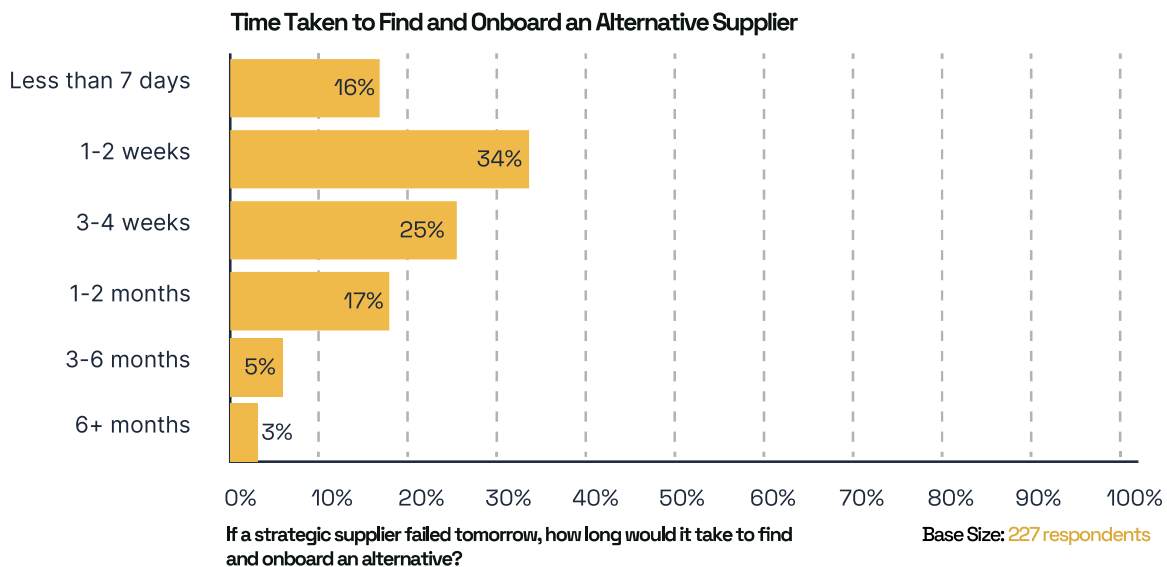


These external pressures are already prompting major operational changes:

Eighty-six percent of procurement executives surveyed say they have either onboarded or offboarded suppliers in direct response to tariffs this year or expect to do so in the next three months.

More than a quarter (26%) of companies have shifted more spend to domestic suppliers, a clear sign that many are rethinking sourcing strategies and trying to reduce exposure to macroeconomic volatility.

The pace of supplier change is faster than ever, with most executives surveyed saying they could act quickly if a disruption hit. Three-quarters of respondents say they could replace a failed strategic supplier in under a month, with only 17% saying it would take one to two months and 8% saying it would take more than three months. Sixteen percent claim they could do it in under a week; an exceptional figure compared to industry benchmarks, where even top-quartile performers average 12 business days for onboarding alone.



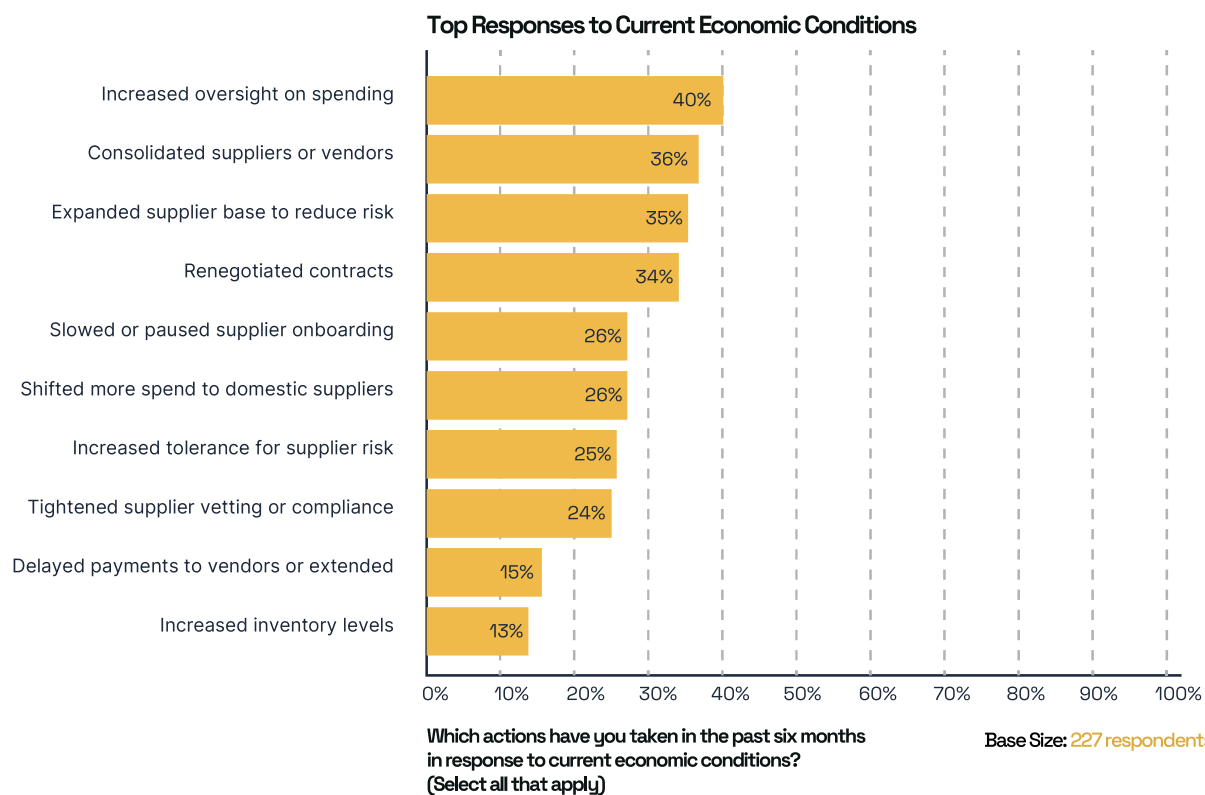
This small, fast-moving group shares some notable differences from those who take longer. Nearly a quarter (24%) work in the tech industry – double the representation compared to those who take more than a week (12%) – potentially giving them greater agility with digital tools. In fact, 79% of this fast-moving group are already using AI agents in procurement (compared to 72% of those that take longer than a week). They are also more likely to be shifting spend to domestic suppliers (41% vs. 23%), a move that can shorten lead times and simplify logistics. Together, these differences may help explain how they can respond so quickly when disruptions hit.

16%

of procurement executives say they could onboard a replacement supplier in under a week – but nearly a third of them still cite the loss of a key supplier as a top concern.

Yet, while some executives can move quickly, supply chain disruptions are still a source of anxiety. When asked what keeps them up at night, 39% of respondents say a key supplier going out of business, and another third (32%) fear being forced to completely overhaul their sourcing footprint with little warning. Even with 16% of respondents saying they could replace a strategic supplier in under a week, nearly a third (32%) still cite the loss of a key supplier as a top concern, underscoring that speed alone doesn't remove the risk. This is why many procurement teams are doubling down on visibility, diversification, and contingency planning alongside efforts to move faster.

Procurement teams are taking a range of actions to manage these macroeconomic pressures. Forty percent say they've increased oversight on spending in the past six months, and 34% have renegotiated contracts with existing suppliers. Many are also adjusting their supplier portfolios: 36% report consolidating vendors, 35% are expanding their supplier base to reduce dependency, and 26% have paused or slowed onboarding to reduce risk and complexity.





What's notable is that organizations are taking different, and sometimes conflicting, approaches to mitigating supplier risk. Alarmingly, while 24% say they've tightened risk requirements by adding stricter vetting or compliance checks, 25% say they've done the opposite – increasing tolerance for risk by working with suppliers who may have lower credit ratings or limited documentation. Interestingly, both groups are majority U.S.-headquartered (46% in the “tightening” group, 51% in the “loosening” group), suggesting that these opposing strategies aren't necessarily driven by obvious organizational differences like location, as even similar companies are making dramatically different calls in how they manage supplier risk.

This divergence reflects the environmental complexity that procurement teams are operating in today. Many are making adjustments on the fly, and weighing speed, cost, and risk without a universally proven path.

In this context, agility and trusted intelligence aren't just helpful – they're critical. As volatility persists, the ability to shift course quickly and make informed decisions is paramount to how effectively procurement teams can respond.



Procurement teams are navigating constant change. Tariffs, inflation, and supplier volatility are forcing faster decisions, but most teams lack the systems or visibility to move at the speed required. The organizations that build for agility will be best equipped to weather what comes next.



Lalitha Rajagopalan, Co-Founder and Head of Strategy/GTM, ORO Labs

Rising Pressure, Shrinking Teams: Why Procurement's Tech Stack Is Under Fire

Procurement teams are also contending with growing internal pressures. Nearly half of the survey respondents say pressure on their function is higher than usual, and 16% say it's the most intense they've experienced in the past three years. In the U.S., that number rises to 21%.

Despite the rising pressure, only a few teams are growing headcount. Just 30% of respondents say their procurement teams have increased in size by at least 5% this year. Meanwhile, 38% report shrinking teams, even as 39% of these say their budgets have increased.

Rather than investing in people, many organizations are deploying technology to offset the loss of capacity and keep up with growing demands. For instance, 85% of procurement executives say they are actively integrating or testing AI in procurement workflows.

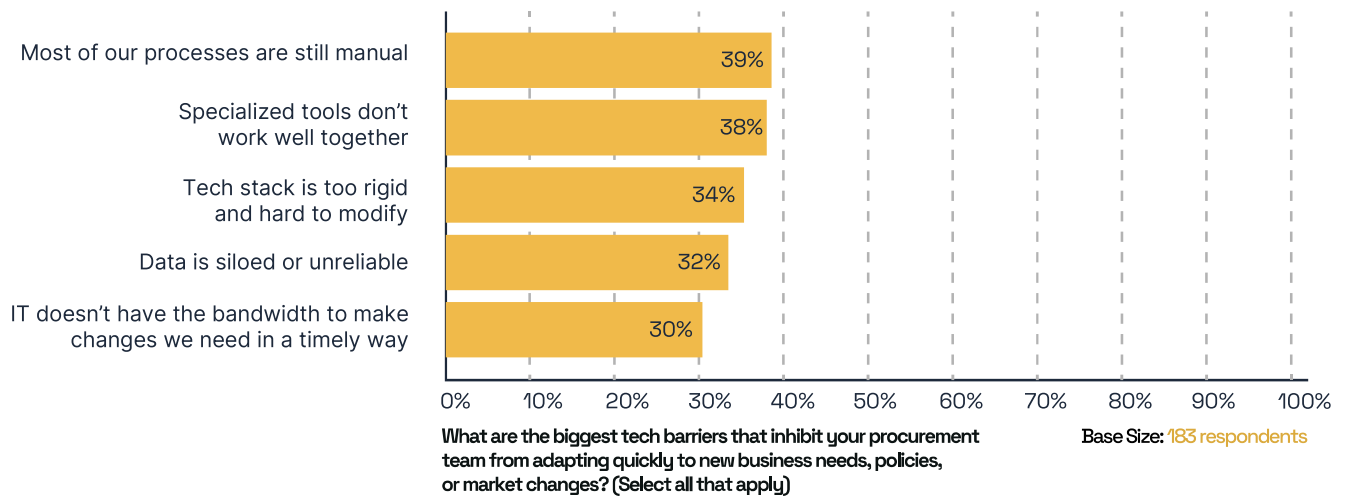


While the procurement tech market has experienced a wave of innovation and investment, the experience on the ground has yet to live up to the lofty expectations. Today, nearly two-thirds (64%) of procurement executives surveyed say their teams manage more than 10 separate procurement tools, a number that jumps to 76% for large enterprises with more than \$5 billion in revenue and drops to 53% for enterprises between \$500 million and \$5 billion in revenue. Yet, across enterprises, only 8% of executives say the majority (more than 76%) of those tools deliver the ROI they expect.

Procurement's tech problem extends beyond the cost and effectiveness of any individual tool. The real challenge is about adoption and integration. Only 28% of teams say they can make changes to their procurement systems without IT or coding support. More than half (57%) need technical help for anything beyond small tweaks. Fifteen percent of teams surveyed say they can't make any system changes without IT support: 20% among large enterprises, compared to 11% for enterprises between \$500 million and \$5 billion in revenue.

The impact is widespread. Eight in 10 procurement executives say their current technology environment is creating barriers to agility. The most common issues include manual processes, systems that don't integrate well, and rigid tools that are hard to modify — all of which slow down decision-making, reduce visibility, and create operational drag.

Top Tech Barriers to Agility



The downstream effects are multiple. Forty-two percent of procurement executives say tech challenges are causing breakdowns in collaboration across procurement, finance, and supply chain. Others cite lower productivity (38%), missed cost savings (37%), and difficulties managing risk (37%). In a high-pressure environment, these inefficiencies don't just slow teams down, they directly impact financial and operational performance.



Procurement teams aren't struggling because they lack tools. They're struggling because their tools don't work together. When systems are fragmented and inflexible, even basic changes require escalation, delay, or workarounds. As AI becomes more central to the way procurement operates, we need to make sure the foundation is ready. That means building flexible infrastructure that connects workflows, breaks down silos, and allows teams to move at the speed of the business. ORO's ability to integrate enterprise data with human and AI agents solves challenges in procurement.



Sudhir Bhojwani, Co-Founder and CEO, ORO Labs

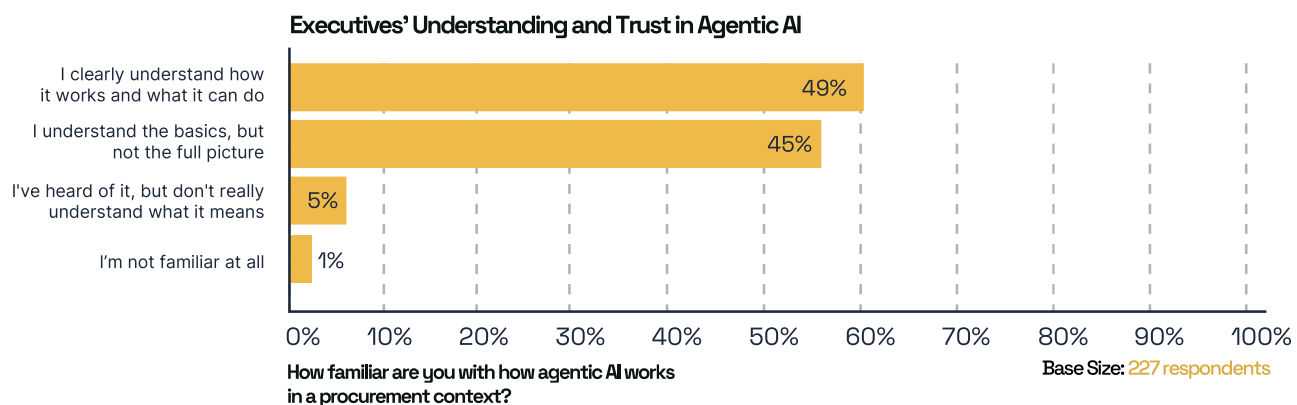
Procurement Teams are Racing to Adopt AI, but Enterprise Readiness Still Lags Behind

AI continues to be the driving force behind the explosion in procurement tech offerings. Eighty-five percent of procurement executives say they've either actively integrated AI into their workflows or are currently piloting tools. Just 1% of survey respondents say they're not exploring AI use cases at all.

That pace reflects a shift in how procurement is approaching digital transformation. The rise of agentic AI — autonomous tools that can act on behalf of users — is a major part of that shift.

Among the **85%** of teams already using AI, **73%** say they've deployed AI agents in procurement, and another **24%** plan to roll them out within the next six months. Only **3%** have no plans for agentic AI despite already using AI within their teams.

But the research shows that adoption doesn't always equate to readiness. While most teams are deploying AI in some form, many are still in the early stages and lack the expertise and infrastructure needed to use AI strategically.



For instance, only 49% of procurement executives say they clearly understand how agentic AI works. Among executives who do not clearly understand agentic AI, none say they trust AI with only minimal human oversight; half (50%) say they trust it somewhat but always review or validate the outputs, and the other half (50%) remain unsure, viewing the technology as still too experimental or inconsistent.

Agentic AI is gaining traction but only 49% of executives say they fully understand how it works.

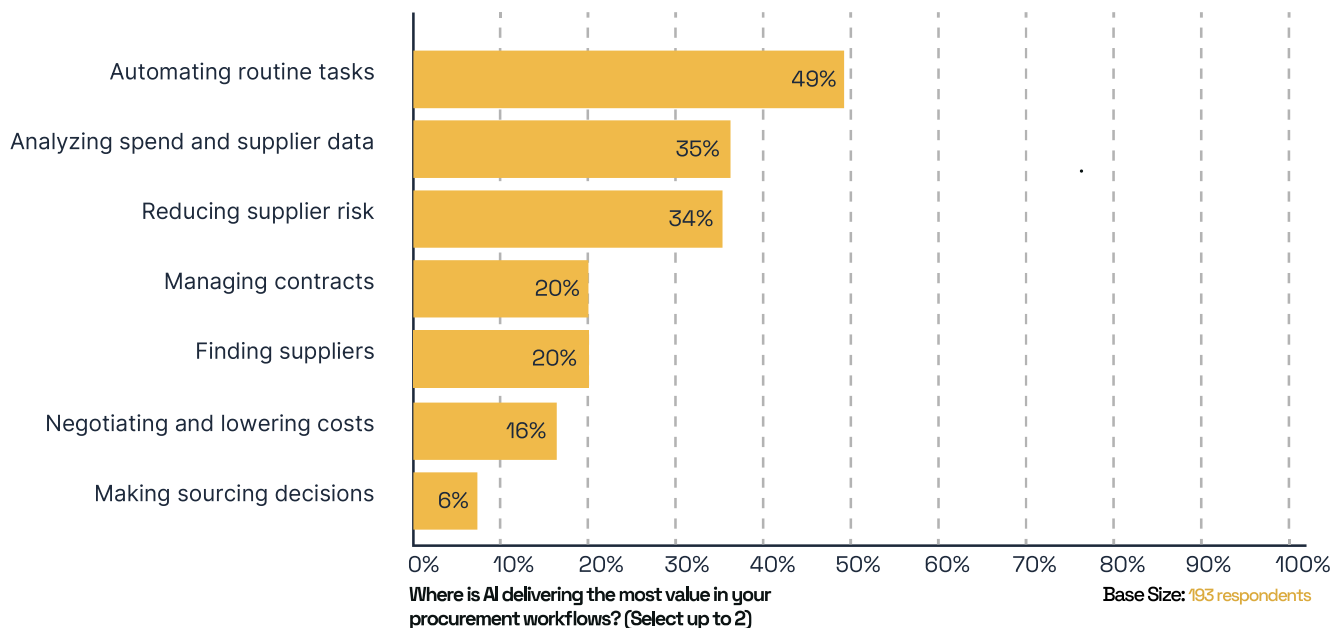
In terms of actual deployments, the most common use cases for AI today include automating routine tasks (49%) and analyzing supplier data (35%). Thirty-four percent are using AI to reduce supplier risk, but relatively few are using it for other high-stakes use cases like cost negotiation (16%) or sourcing decisions (6%).

39%

Part of the problem is training: Just 39% of surveyed executives say everyone has received formal AI training. Over half say only a few power users have been trained, a signal that many organizations are still figuring out how to scale adoption and embed AI into day-to-day work.



Top AI Use Cases in Procurement Today



Despite these gaps, momentum continues to build and the opportunity gets bigger. As procurement becomes more connected, agile, and data-driven, AI is quickly becoming a core part of how work gets done. But unlocking its full potential will take more than ad-hoc rollout plans. It will require investment in training, clear accountability frameworks, and infrastructure that gives teams the visibility and flexibility to scale with confidence. Otherwise, even the most promising tools will struggle to deliver at scale.



The biggest barrier to scaling AI in procurement isn't lack of interest, it's fragmented infrastructure. Agentic AI can drive real efficiency, but only if the environment is set up to support it. That means workflows need to be connected, data needs to be accessible, and teams need the ability to update and modify systems without relying on months of IT backlog. The future isn't just AI-powered. It's AI-orchestrated, and that starts with getting the foundation right.



Yuan Tung, CTO and Co-Founder, ORO Labs

Where Procurement Teams Should Focus

The ability to act quickly is now a core competency. If your sourcing plan changed tomorrow, how fast could you respond? Too often, procurement lacks the agility to pivot when market conditions shift. Start by identifying your critical dependencies and mapping out the workflows, data, and approvals required to adapt. Resilience starts with visibility and agility.

Infrastructure, not technology, defines performance. Disconnected tools are a hidden liability at scale. Many teams are managing more systems than ever before, but the real bottleneck isn't tool quantity, it's how disconnected and difficult those tools are to adapt. Prioritize tools that support adoption, time-to-action, agility and faster decision-making.

Cross-functional alignment depends on shared systems and workflows. Disjointed systems mean disjointed strategies. When procurement, finance, and operations are working from different data sources and on different platforms, collaboration stalls and execution slows. Shared visibility and orchestrated workflows turn collaboration from a goal into a reality.

Operationalize AI like you would any team function. While AI is already driving value, the exponential and transformative returns everyone is looking for aren't possible if it sits in a silo. To drive meaningful outcomes, AI needs structure: clear owners, defined responsibilities, and feedback loops. Build trust by defining where AI adds value, who owns the output, and how teams will engage with it.

Orchestrate, don't just optimize. Optimization solves for individual pain points. Orchestration connects the whole system. That's the shift procurement needs to meet the demands of today's environment, one where adaptability and agility are essential.

Future resilience requires procurement orchestration. ORO's research shows that the winners will be defined by how fast they move, not how many technologies they adopt. Orchestration is the connective tissue that turns tool sprawl into coherent, flexible infrastructure. It removes silos, reduces manual routing, and speeds time to value – precisely what procurement transformation demands.

Demographics

A total of 227 procurement executives responded to the survey, representing organizations across the U.S., Canada, U.K., and Europe. All respondents work at companies with \$500M or more in annual revenue. Survey responses were collected by Prodege, an independent provider of customer insight data, in partnership with ORO Labs.

Geography

45% United States **20%** Europe **23%** United Kingdom **12%** Canada

Company Size (Revenue)

29% \$500M–\$999M **27%** \$1B–\$4.9B **21%** \$5B–\$9.9B **12%** \$10B–\$24.9B

6% \$25B–\$49.9B **4%** \$50B–\$99.9B **1%** \$100B+

Industry

14% Technology, media, and telecommunications **13%** Banking and financial services **9%** Food and consumer products **9%** Manufacturing

8% Apparel or fashion **8%** Retail **7%** E-commerce **7%** Healthcare

6% Distribution or wholesale trade **5%** Energy and utilities **4%** Transportation and logistics **2%** Pharmaceuticals and life sciences

2% Higher education **2%** Hospitality, lodging, or tourism **1%** Mining, oil, and gas **1%** Public sector

<1% Insurance **<1%** Media and entertainment

Role

32% Chief Procurement Officer **21%** Procurement Director (Indirect, Direct, or Raw) **14%** Head of Strategic Sourcing or Supplier **12%** Procurement Operations Lead

10% Procurement Technology Lead **8%** VP of Procurement **2%** Procurement Shared Services / Global **1%** Other Procurement Leadership Role



ORO Labs is a procurement orchestration company on a mission to humanize the procurement experience by coordinating teams, systems, and processes so employees get what they need without frustration. ORO's AI-powered no-code platform is purpose-built to deliver effortless user experiences that enable businesses to reduce cycle times, decrease risk through end-to-end process visibility, and increase agility in response to change.

ORO is trusted by Fortune 500 companies and fast-growing global organizations to automate processes, improve cross-team collaboration, and scale procurement operations. To learn more, visit orolabs.ai.